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Canada

Honey

Production Won't Match Last Year's Record Level

1999

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Report Highlights:

Present prospects point to a 1999 Canadian honey crop of about 34,000 metric tons, moderately above the 5 year historical average but at least 20% below the record production level of 1998. Producer prices for honey in Canada are lower than a year ago marking the third successive year of price decline. China remains the major supplier to Canada's import market for honey, but recent imports from China, most of which are destined for blending, are dramatically below the levels of two years ago.

Includes PSD changes: Yes
Includes Trade Matrix: No
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Section I. Honey Production

Situation and Outlook

Honey producers harvested the largest crop ever recorded in Canada during 1998 reflecting good weather in all honey producing regions and above historical average yields. Statistics Canada currently estimates the 1998 honey crop at 42,456 metric tons, nearly 40% above the previous five year average. For 1999, less favorable weather in western Canada is expected to result in a sharp decline from last year's record production level. Present prospects point to a total Canadian honey crop in 1999 near 34,000 metric tons, about 20% below the record 1998 production, but still above the 1993-1997 average of just under 31,000 metric tons.

Canada's prairie provinces (Alberta, Saskatchewan & Manitoba) account for three quarters of total Canadian honey production. The region, which combines vast expanses of flowering forage crops and long summer days, provides historical average yields of 60 kg per hive. For the record 1998 honey crop, average yields nationally reached 82 kg led by Saskatchewan where hives yielded a 109 kg average. Alberta is the top producing province and accounts for more than one-third of total production.

According to Statistics Canada, the number of beekeepers in Canada increased slightly in 1998 to 11,192 from 10,880 a year earlier, but the trend is to fewer beekeepers with more hives. In 1998, beekeepers kept an average 46 hives each compared to the 1992-1996 five year average of 42 hives per producer.

PSD Table						
Country	Canada					
Commodity	Honey				(1000 COLONIES)(MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Commercial Colonies	525	517	0	515	0	512
NonCommercial Colonies	0	0	0	0	0	0
TOTAL Colonies	525	517	0	515	0	512
Beginning Stocks	4000	4000	0	7000	0	2000
Production	33000	42456	0	34000	0	32000
Imports	1900	2409	0	2600	0	2800
TOTAL SUPPLY	38900	48865	0	43600	0	36800
Exports	9000	11208	0	15000	0	8000
Domestic Consumption	26900	30657	0	26600	0	25800
Ending Stocks	3000	7000	0	2000	0	3000
TOTAL DISTRIBUTION	38900	48865	0	43600	0	36800

Section II. Consumption

Prices

In August 1999, provincial apiarists reported Canadian honey producers were receiving approximately C\$0.75 per pound for bulk honey. From a high of C\$1.25-C\$1.30 in 1996, prices to producers fell to C\$0.95-C\$1.00 in 1997 and to about C\$0.82 cents during 1998.

Per Capita Consumption

The following table prepared from Statistics Canada data shows apparent Canadian honey consumption for the period 1993-1998. Statistics Canada's honey consumption series does not make an allowance for honey stocks. Consequently, official Canadian honey consumption statistics track domestic production levels and trade on a calendar year basis and for 1998 may overstate actual honey consumption. A significant portion of honey for export from the large 1998 honey crop was not exported until 1999.

Canada: Apparent Per Capita Honey Consumption	
Year	kilograms
1993	0.83
1994	0.97
1995	0.65
1996	1.02
1997	0.82
1998	1.10
Source: Statistics Canada, Food Consumption., Part I, 1998	

Stocks

Posts estimates that Canadian honey stocks at the end of 1998 rose significantly to about 7,000 metric tons after producers harvested the largest honey crop on record. Increased Canadian exports of honey in the first half of 1999 largely reflect the higher carry-over stocks from the record 1998 crop. Honey stock levels in 1999 are expected to decline throughout the current year reflecting increased exports and lower Canadian honey output.

Section III. Honey Trade

Exports

Record honey production in 1998 resulted in increased exports of Canadian honey. Total Canadian honey exports in 1998 rose more than 50% from the year earlier level to reach 11,208 metric tons. Exports to the United States and Germany accounted for more than 89% of total Canadian honey exports in 1998. For 1999, exports of carry-over old crop honey boosted honey exports in the first six months of the year to nearly three times the 1998 level for the same period. Post forecasts total 1999 Canadian honey exports to reach about 15,000 metric tons, or 33% above the 1998 level. Honey exports in 2000 are expected to decline to about the 8,000-9,000 metric ton range given the anticipated return to more normal production prospects.

Canadian Honey Exports								
1995-1998 Calendar Years								
January to June Comparisons for '98 and '99								
Units: metric tons								
HS=0409								
						Jan-June	Jan-June	%
	1995	1996	1997	1998		1998	1999	chg.
United States	12,024	8,002	3,941	7,050		2,213	7,761	100+%
Germany	1,688	1,187	2,211	2,948		810	913	13%
Japan	734	113	366	316		85	103	22%
United Kingdom	376	278	424	278		77	123	60%
Netherlands	158	49	61	201		61	79	29%
France	184	99	59	112		35	71	103%
Sweden	40	20	20	61		13	19	49%
Denmark	78			61		0	121	100+%
Ireland	74	128	45	32		32	24	-25%
Switzerland	90	13	55	19		0	0	0%
Mexico			119			0	0	0%
Others	140	94	112	129		21	3	-88%
Total	15,587	9,981	7,413	11,208		3,347	9,217	100+%
21-Sep-99								
honeyex.wk4-FAS/Ottawa-Source: Tiers; StatCan.								

Imports

Canada's import market for honey changed substantially following the combination of the closure in 1997 of a major honey importer/blender operation which blended Chinese and Canadian honey (for export) and the U.S./China Honey Suspension Agreement under which the price exported from China to the US is determined by a reference point set six months prior to actual trading. As shown below, China and the United States are the major supplies of imported honey. Imports in the first six months of 1999 rose modestly from the same period a year ago. Argentina, an important world exporter of honey, has not exported significant quantities of honey to Canada over the past two years.

Canadian Honey Imports								
1995-1998 Calendar Years								
January to June Comparisons for '98 and '99								
Units: metric tons								
HS=0409								
						Jan-June	Jan-June	%
	1995	1996	1997	1998		1998	1999	chg.
China, P. Rep.	3,522	10,918	933	1,800		1,048	1,190	14%
United States	309	554	448	405		269	160	-40%
Italy	10	0	1	38		3	2	-44%
Switzerland	311	151	51	36		9	17	90%
Hungary		9	17	26		0	0	0%
New Zealand	36	8	29	24		3	24	100+%
Greece	24	25	67	14		2	34	100+%
Mexico	0		0	8		8	34	100+%
Hong Kong	8	151	30	6		7	0	-98%
Argentina	3	1,534	297	1		0	7	100+%
Others	27	59	119	51		14	23	66%
Total	4,249	13,411	1,992	2,409		1,363	1,492	9%
21-Sep-99								
honeyimp.wk4-FAS/Ottawa-Source: Tiers; StatCan.								

Section IV. Policy

Bee Prohibition Order

Canada has banned imports of live U.S. bees since 1987 due to the presence of varroa mite in certain U.S. states. In 1993, Agriculture and Agri-Food Canada permitted the resumption of the importation of queen bees from Hawaii under strict health measures. Under the authority of the Animal Health Act and Regulations, the GOC has been extending the import ban at two year intervals. The current honeybee import prohibition order expires on December 31, 1999, but honey industry contacts believe the Minister will renew the order later this year for an additional two years. Over the last decade, the bee importation ban has resulted in an increase in the practice of overwintering bees in Canada and additional imports of live bees from Australia and New Zealand.

Value of Canadian Live Bee Imports in \$Can.'000				
Part of HS 0106				
Country	1995	1996	1997	1998
New Zealand	585	1,566	2,075	1,885
United States	812	706	1,054	1,023
Australia	138	277	526	271
Others	1	-	1	51
Total	1,536	2,549	3,656	3,230
source: Statistics Canada; TIERS				

Section V. Marketing

Market Development

Canada has no quantitative restrictions on honey imports from the United States but market opportunities for U.S. honey are limited by Canada's surplus production position and a weak Canadian dollar. However, prospects in the foodservice and specialty food markets remain fair. In the specialty food market, U.S. exporters are encouraged to explore opportunities at major specialty food shows held regularly in Canada. U.S. honey in jars must conform to the container size regulations noted below.

Tariffs

Canada applies no import tariffs to honey imports.

Section VI. Canadian Honey Regulations

As part of a government program of fiscal restraint, the Canadian Food Inspection Agency (CFIA), in early July 1997, announced new inspection fees for, 1) inspection and registration of packing premises and honey inspection in these establishments, 2) the issuing of export certificates and, 3) the verification of import declarations. The action establishes: an annual registration fee of \$C100 for producer-graders, \$C200 for honey packers and, \$C400 for honey pasteurizers; a fee of \$C150 per shipment for the inspection of honey and issuance of an export certificate and; a fee of \$C5.00 per shipment or 1.0 cents per kilogram, whichever is greater, for imports (in addition to the existing requirement that all imports of honey be accompanied by an import declaration which the importer must submit to the inspector for verification.

Container Size Regulations

Canadian honey regulations stipulate the following metric sizes for domestic or imported honey: any net weight up to 150 grams, 250 grams, 375 grams, 500 grams, 750 grams, 1 kg, 1.5 kg, 2kg, 3kg, and 5 kg. For bulk containers: 7 kg, 15kg, 30 kg, or any larger container where net weight is a multiple of 1 kg.

U.S. honey cannot meet Canada #1 or #2 grade if it contains foreign material that would be retained on a U.S. National Bureau of Standards 60 mesh screen. U.S. exporters marketing liquid honey containing a piece of honeycomb in the jar should note this restriction. Exports to Canada must be accompanied by an import declaration filled out by the shipper and the importer is responsible for the import inspection fee noted above. Copies of the import declaration are available from the Dairy, Fruit & Vegetable Division, Canadian Food Inspection Agency, telephone (613) 225-2342. Canada's Honey Regulations can be viewed on the Canadian Food Inspection Agency Internet site at: <http://www.cfia-acia.agr.ca/english/actsregs/honey/home.html>

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